

TITLE OF REPORT: Proposed Lease of the former Lloyds Bank, 19–21 Derwent Street, Chopwell

REPORT OF: Peter Udall, Strategic Director, Economy, Innovation and Growth

Purpose of the Report

1. To seek approval to a lease of the property known as the former Lloyds Bank, 19-21, Derwent Street, Chopwell.

Background

2. The property which is shown edged black on the attached plan was a former Lloyds bank in Chopwell and is held by the Council for the benefit improvement and development of the borough.
3. The Chopwell Regeneration Charitable Incorporated Organisation (CIO) expressed an interest in a community asset transfer of the property as they were confident that they would be able to obtain funding to restore the property for the benefit of the community.
4. The repairs required to refurbish the accommodation for residential or alternate uses proved to be economically unviable and it is proposed that the property in its entirety be disposed of to the Chopwell Regeneration CIO subject to a lease pursuant to the Council's Community Asset Transfer policy.

Proposal

5. It is proposed that the Council grant a 35-year lease at a nil rent to the Chopwell Regeneration CIO pursuant to the Council's Community Asset Transfer policy.

Recommendations

6. It is recommended that Cabinet authorise the Strategic Director, Corporate Services and Governance to grant a 35-year lease at a nil rent pursuant to the Council's Community Asset Transfer policy to the Chopwell Generation CIO.

For the following reason: -

To manage resources and rationalise the Council's assets in line with the Corporate Asset Strategy and Management Plan.

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APPENDIX: Former Lloyds Bank, 19–21 Derwent Street, Chopwell NE17 7HU

Policy Context

1. The proposed lease of the property supports the overall vision for Making Gateshead a Place where People Thrive. In particular, supporting communities to support themselves and each other.
2. The proposal will also accord with the provisions of the update of the Corporate Asset Strategy and Management Plan 2015 – 2020. In particular, the rationalisation of the estate through the disposal of an uneconomic asset.

Background

3. The property known as the former Lloyds Bank on Derwent Street Chopwell was originally acquired by the Council with the intention of converting the first floor accommodation for residential and utilising the ground floor for community use. Following detailed design work, however, the degree of work required to bring the property into use was more extensive than initially anticipated. The property is in a prominent position in Chopwell and since the bank closed it has further deteriorated and is now in a very poor state of repair.
4. The Chopwell Regeneration Charitable Incorporated Organisation (CIO) expressed an interest in a community asset transfer of the property as they were confident that they would be able to obtain funding to restore the property for the benefit of the community. The group has obtained initial funding which will enable them to commence work on the refurbishment of the property subject to being granted a lease. Terms have been provisionally agreed for a 35-year lease at a nil rent pursuant to the Council's Community Asset Transfer policy.
5. The property, which is shown edged black on the attached plan, is held by the Council for the benefit improvement and development of the borough pursuant to section 120(1) of the Local Government Act 1972. The Council has the authority to dispose of land at an undervalue of no more than £2,000,000 and that it is likely to contribute to the achievement of the promotion or improvement of the economic, social and environmental well-being of persons residing in the borough. The purpose of the disposal will clearly contribute to the social and environmental well-being of the borough.

Consultation

6. In preparing this report consultations have taken place with the Leader, Deputy Leader and Ward Councillors for Chopwell & Rowlands Gill.

Alternative Options

7. The option of retaining the property has been discounted as the cost of refurbishment is economically unviable. There are currently no alternative viable options for the use of the site.

Implications of Recommended Option

8. **Resources:**
 - a) **Financial Implications** - The Strategic Director, Resources and Digital confirms there are no financial implications arising from this recommendation.
 - b) **Human Resources Implications** - There are no direct staffing implications arising from the recommendations in this report.
 - c) **Property Implications** - The future disposal of this property will result in a reduction in the Council's overall property portfolio thus reducing operational costs.
9. **Risk Management Implication** - The future disposal of this property will remove opportunities for vandalism to a vulnerable property.
10. **Equality and Diversity Implications** - There are no implications arising from this recommendation.
11. **Crime and Disorder Implications** - The future disposal of this property will remove opportunities for crime and disorder, especially vandalism and theft to a vulnerable empty property.
12. **Health Implications** – There are no implications arising from this recommendation.
13. **Climate Emergency and Sustainability Implications** - The future disposal of this property will reduce the level of the Council's holding costs for a vacant property and will bring back into use a vacant building.
14. **Human Rights Implications** - There are no implications arising from this recommendation.
15. **Ward Implications** – Chopwell & Rowlands Gill.
16. **Background Information** – None